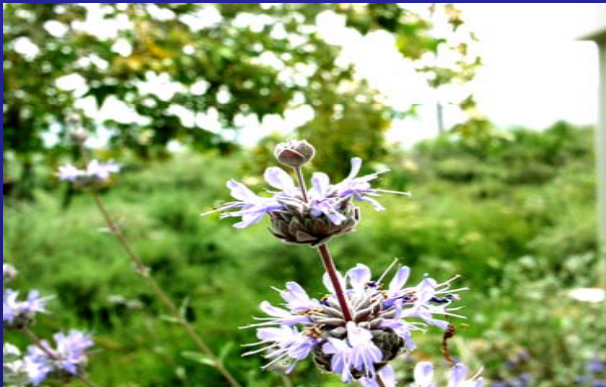


Long Beach Water Department 2004-2005 Budget Briefing

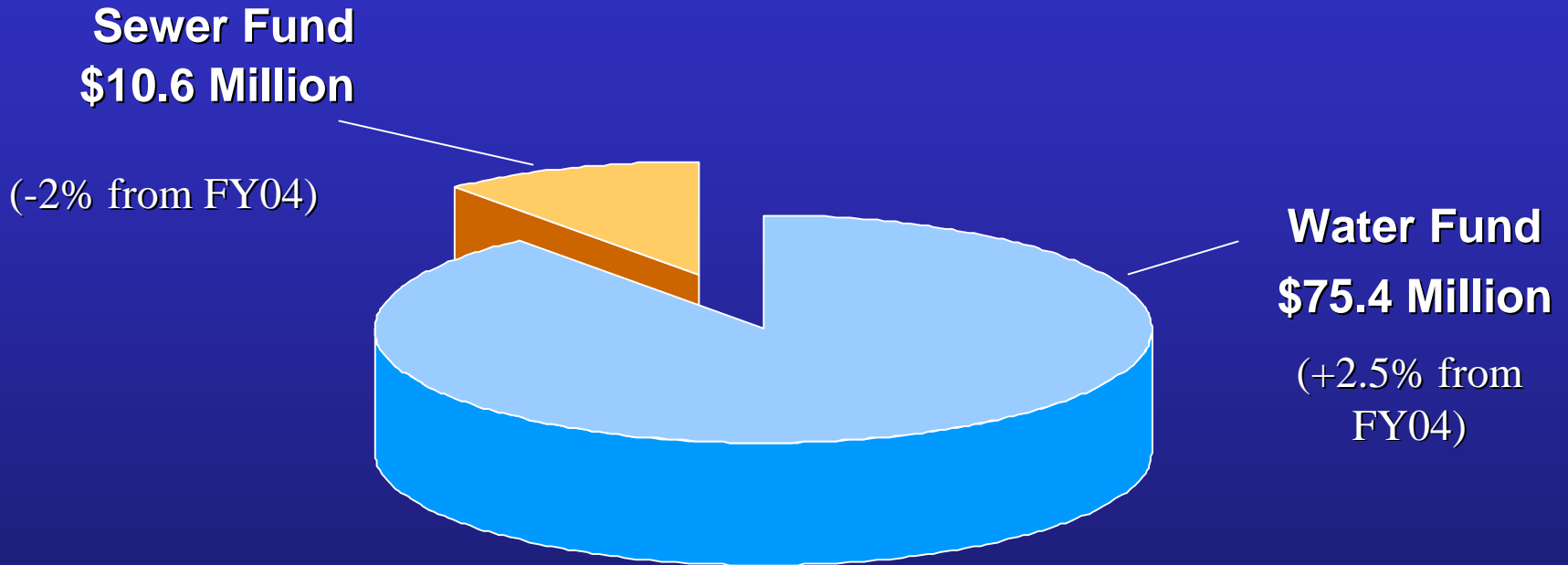
Tuesday, August 24, 2004



**Kevin L. Wattier, P.E.
General Manager
www.lbwater.org**

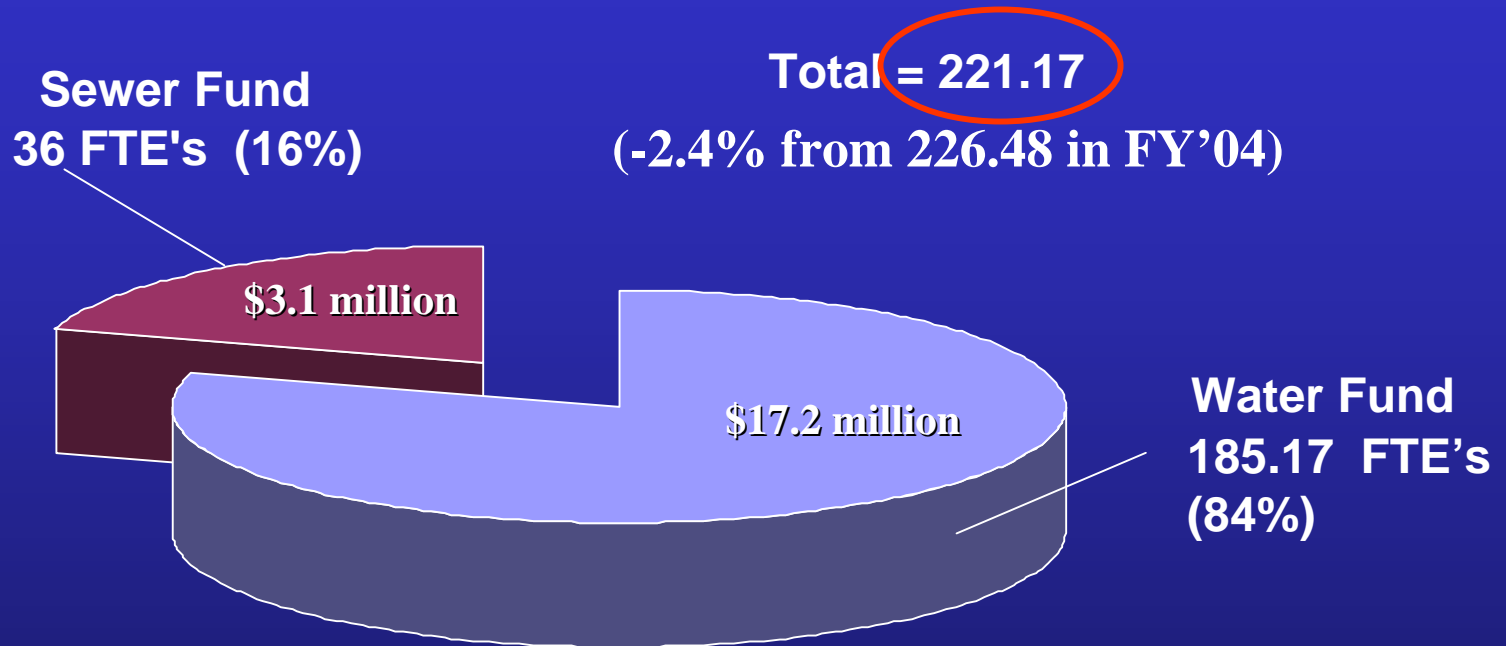
Total Water Department Budget

Total FY'05 Budget: \$86 Million



Water Department Personnel

Full Time Equivalent Employees (FTE)



Goal to Reduce Number of FTE by Five for FY-06

(Staff Reduced Through Attrition)

Water Rate Increase

- **Major Cost Increases**

- **MWD Imported Water Rate = +\$750k**

- **WRD Pump Tax = +\$400k**

- **Retirement, Health Cost = + \$1.7 Million**

- **Pipeline Fee = + \$846k**

- **Total Major Cost Increases = + \$3.7 Million**

- **Would Equal a 6.5% Water Rate Increase**

Water Rate Increase

- Cost Reductions

- Interdepartmental Charges, -\$660K

- Debt Service, -\$275k

- Other, -\$300k

- Total Decreases of \$1.2 Million

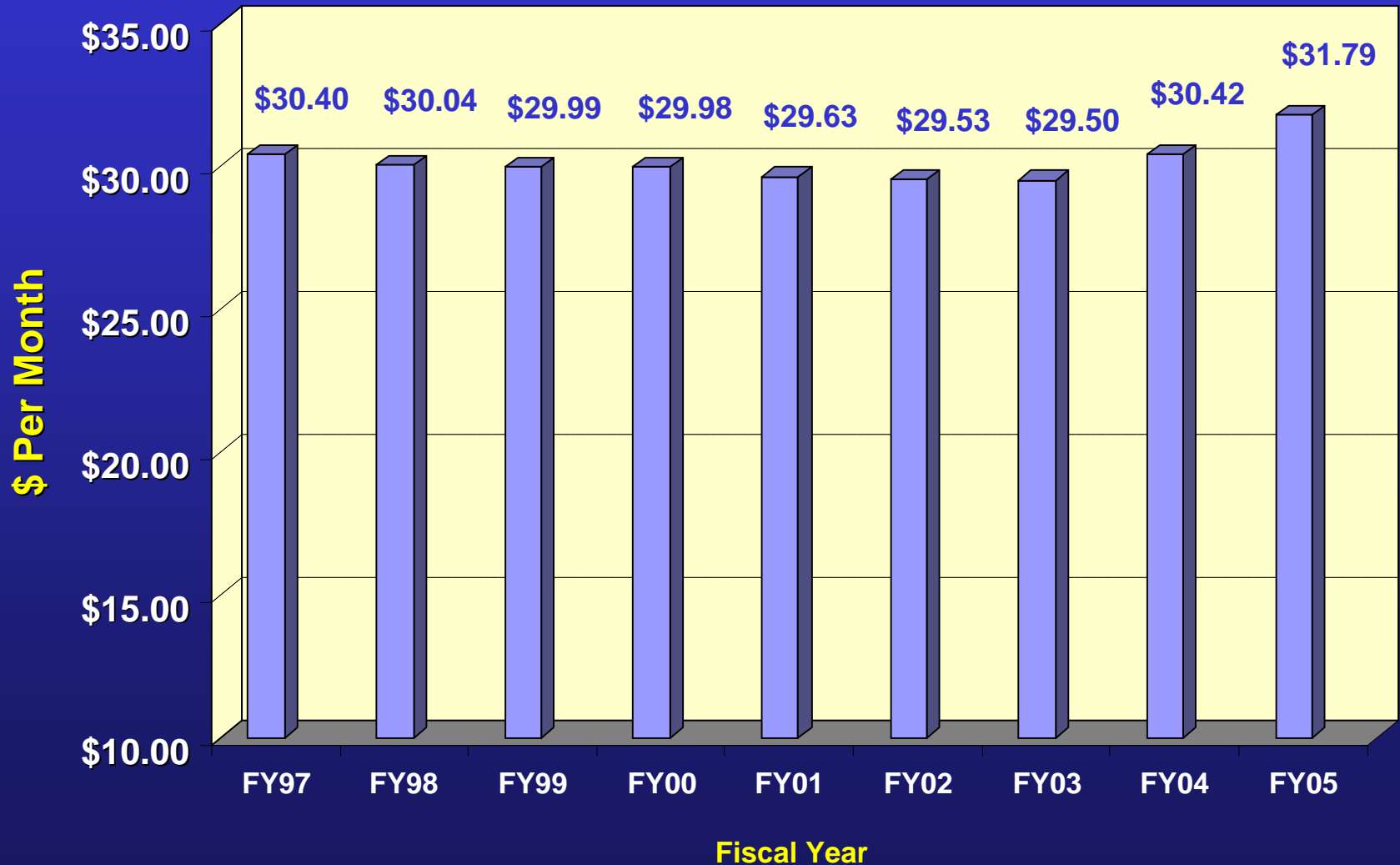
- Net Budget Increase of \$2.5 Million

- Equates to a Water Rate Increase of 4.5%

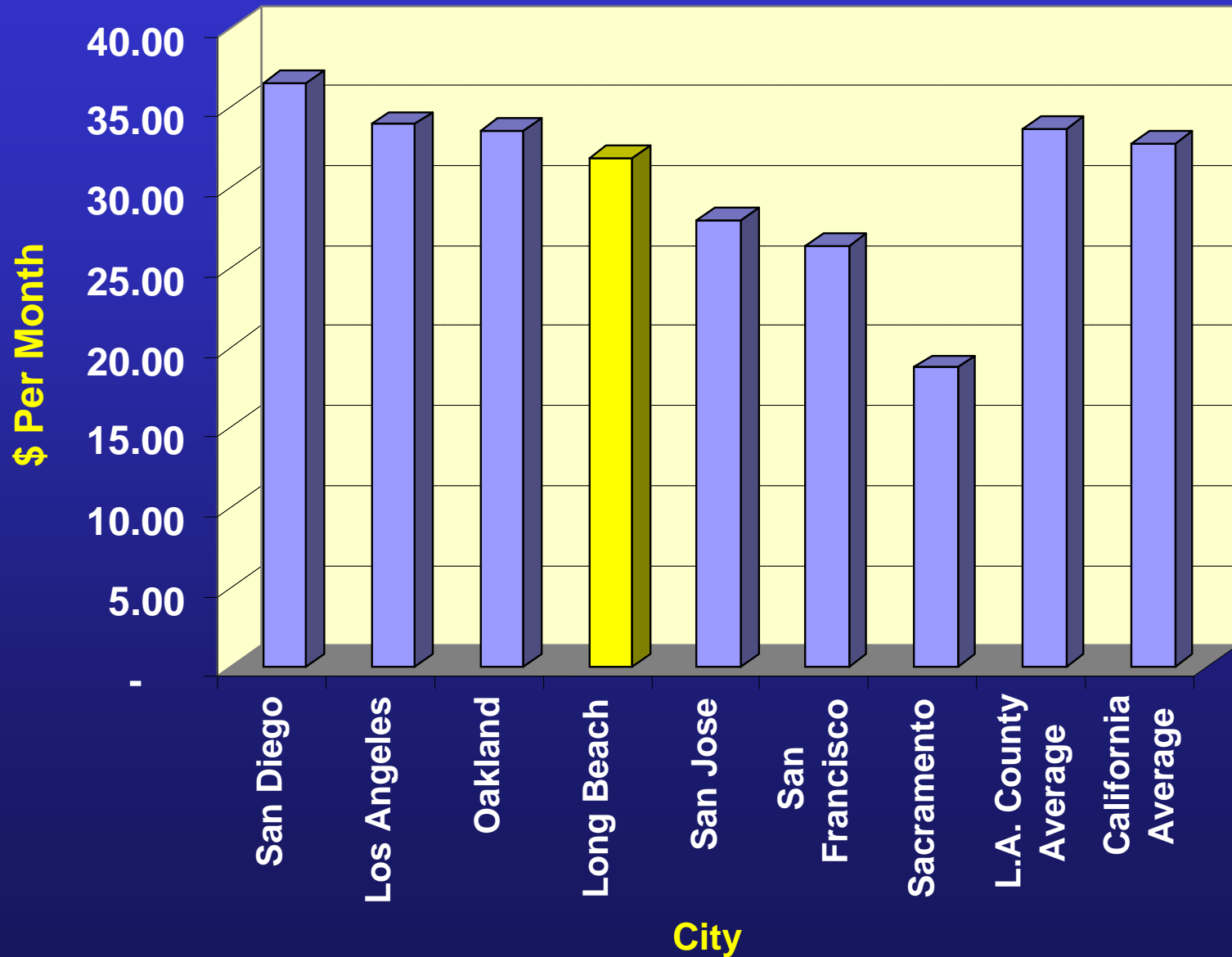
Average monthly water bill will increase from \$30.42 to \$31.79 or 4.5%

Long Beach Water Department

Rate History -Average Monthly Water Bill (15 Billing Units)



California Water Rate Comparison



FY'05 Water Fund Capital Improvement Program (CIP)

\$13.5 Million (-12%) from
\$15.3 Million in FY'04)

- \$5.3 million, 60,000 Lineal Feet
- \$3.2 million, Reclaimed Water
Expansion
- \$1.5 million, Seawater Desalination
- \$1.1 million, Conjunctive Use Water
Storage

45% Grant

50% Grant

100% Grant

\$13.5 CIP Includes \$4 Million Funded by Grants

Cast Iron Main Replacement Program

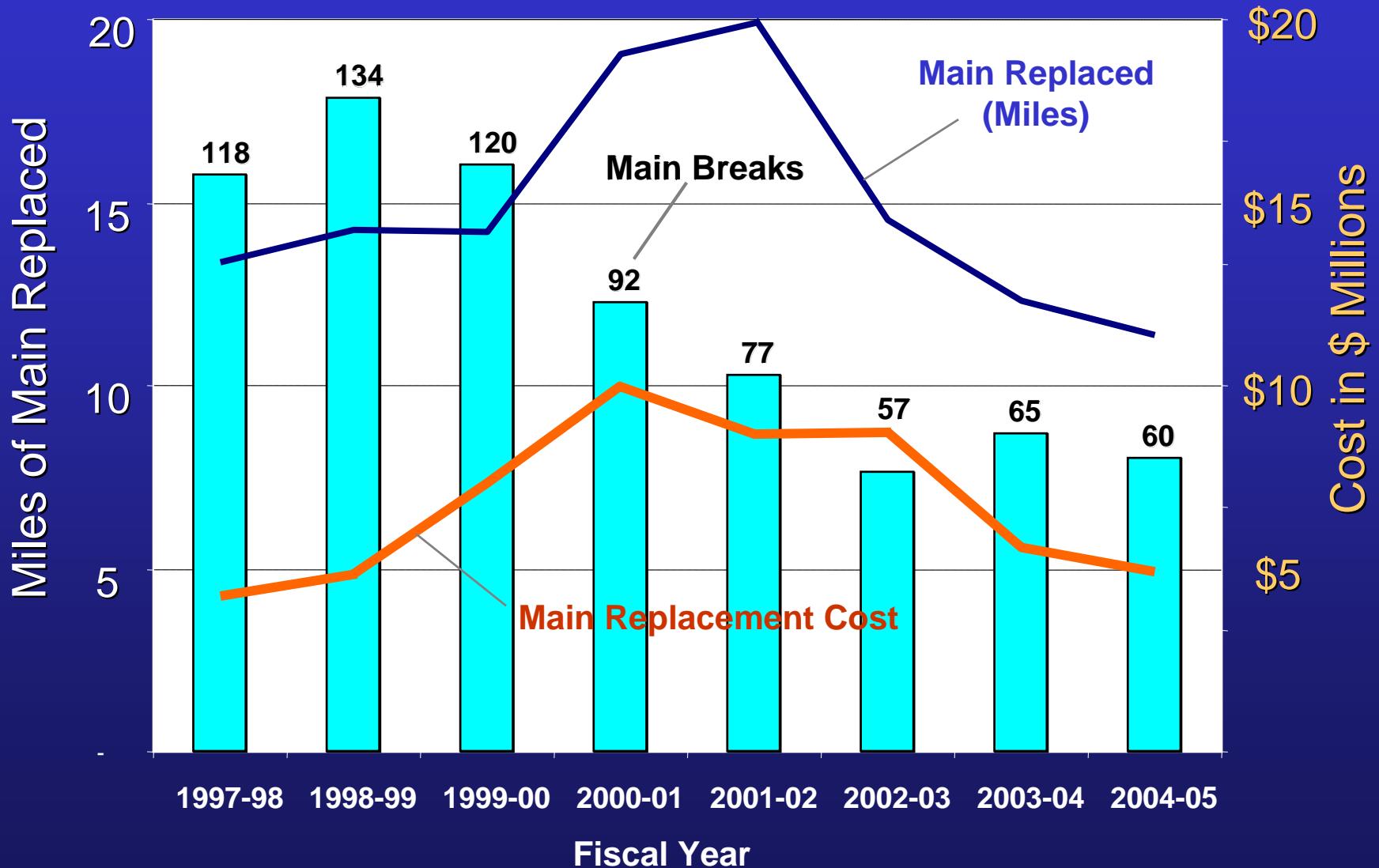


One of the most aggressive water main replacement programs in the United States

Cast Iron Main Replacement

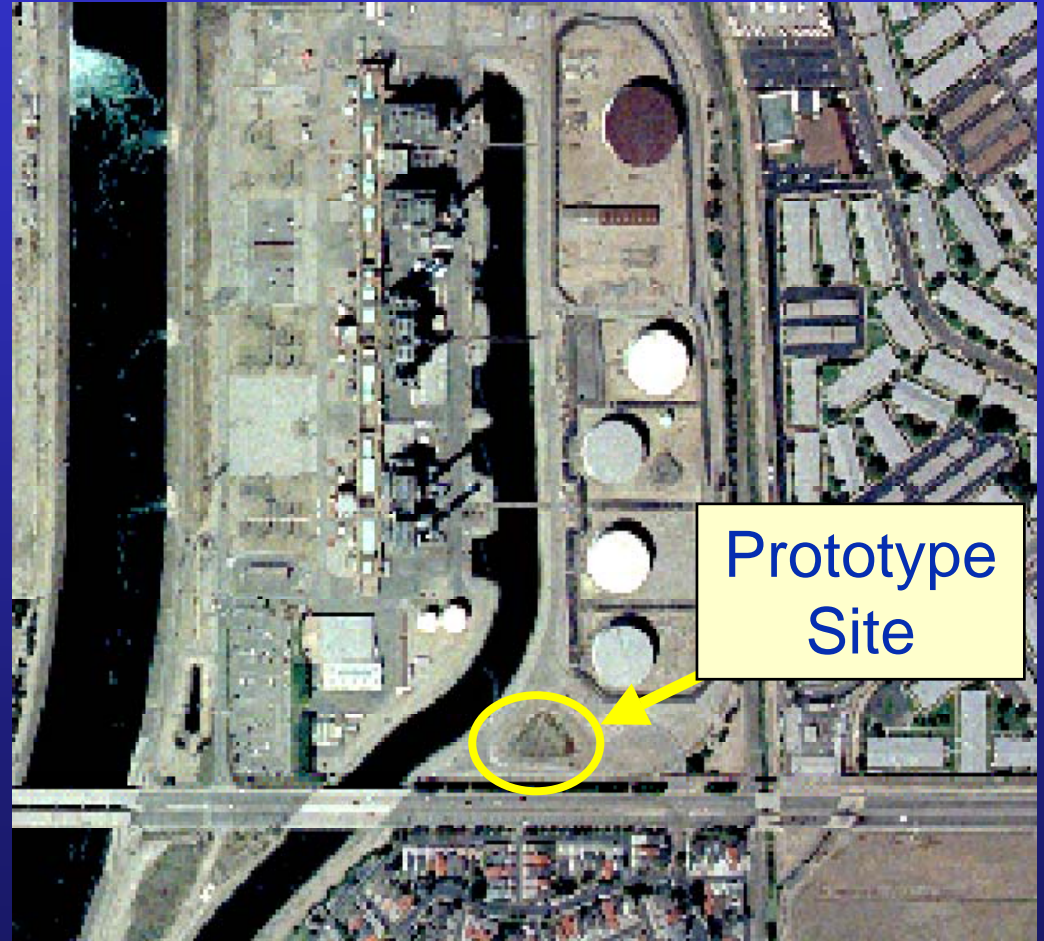


Water Main Replacement Program



Water Resources/Facility - Prototype Seawater Desalination Plant

- Research Facility
- Partners with LADWP & USBR
- 50% Federal Funding



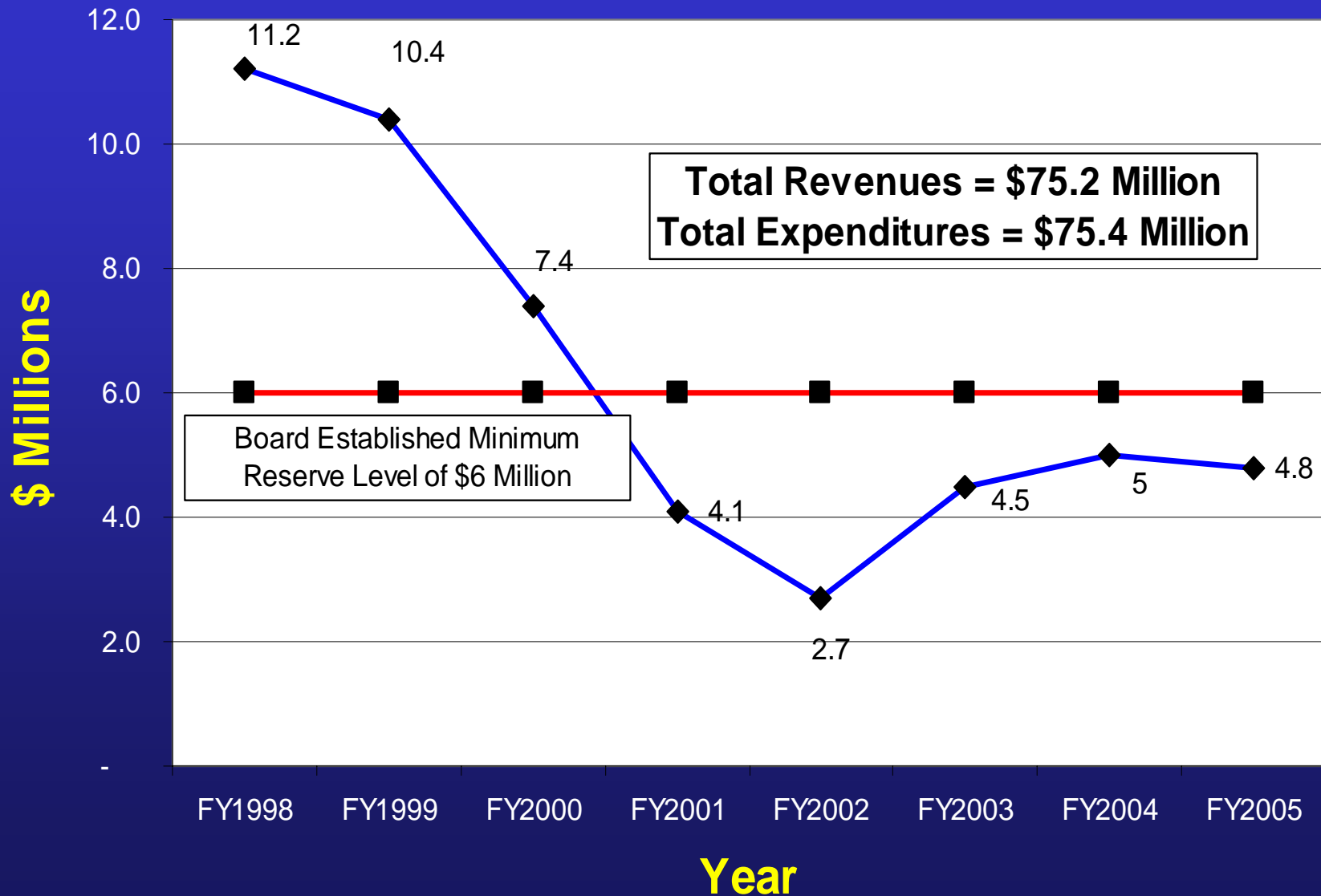
LADWP Haynes Power Plant

Conservation

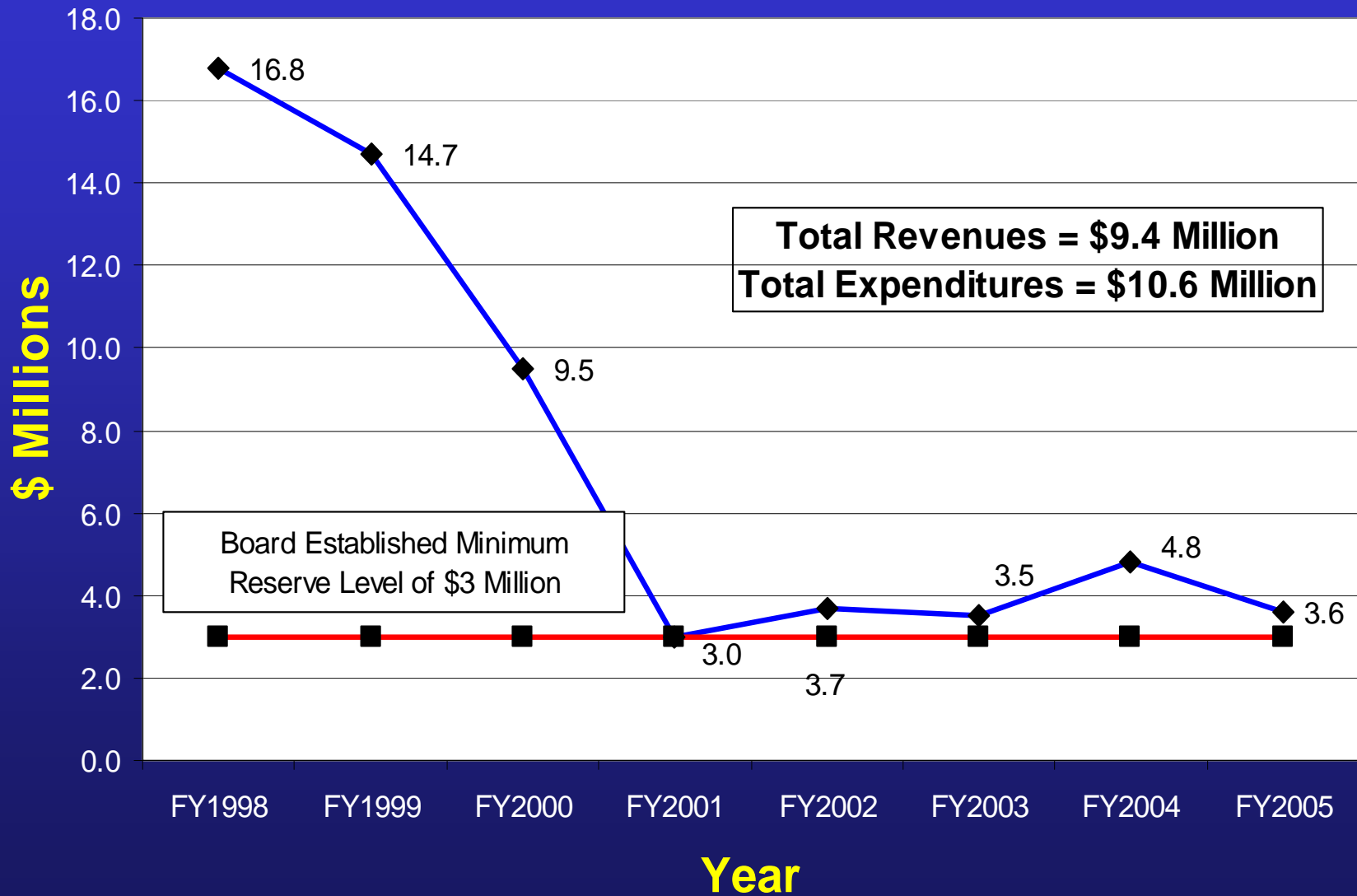


Long Beach uses the same amount of potable water today as it did 23 years ago, when our population was 370,000; or 120,000 less than today's.

Water Fund Balance



Sewer Fund Balance





www.lbwater.org

adding value • exceeding expectation